

Statement from a Federal government spokesman to 7.30. 15 August 2019

“The Coalition Government has taken strong action to improve the accountability of financial product issuers and distributors; improve outcomes for consumers; and make ASIC a more proactive regulator.

Earlier this year, the Government passed legislation which gave ASIC the power to intervene where there is actual, or even the risk of, significant consumer detriment being caused by a financial product.

In addition to this legislation, the Government announced increasing funding for ASIC of \$404.8 million over four years from 2019-20. On average, this is around a 25 per cent increase in its annual funding over the forward estimates compared to 2017-18.

‘Buy now, pay later’ services are already captured by ASIC’s design and distribution obligation and product intervention power reforms.

Legislation to introduce these reforms for all products within ASIC’s regulatory remit, including ‘buy now, pay later’ services, passed the Parliament in April 2019.

The reforms will reduce the risk of consumers, including consumers of ‘buy now, pay later’ products, acquiring or being mis-sold products that do not meet their needs and are not suitable for them, where those products are purchased directly, without personal financial advice.

The Government is currently considering the findings of the Senate Economics References Committee’s inquiry into credit and financial products targeted at Australians at risk of financial hardship.

In addition to this, ASIC continues to monitor the regulatory environment of the ‘Buy now pay later’ industry to ensure it is fit for purpose.”